



PORTFOLIO REVIEW

1Q17

## Littleton Public Schools

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Prepared by: T.J. Berge

## Our History

- Founded in 1996 by Richard Todd and Wendy Dominguez who lead the firm today
- Independent, privately held and employee-owned
- SEC Registered Investment Advisor
- Currently more than \$16 billion in firm assets\*

## Our Professionals

- 45 employees
- Long-term relationships with top tier managers, vendors, and service providers
- 95% employee retention rate
- Demonstrated ability to hire and retain top quality talent

## Alignment of Interest with Our Clients

- 98% client retention
- Conflict-free, independent and objective advocate
- A consistent investment philosophy since the firm's inception
- A client-centered, risk-focused, and performance-driven culture
- Year-over-year revenue growth 19 of the last 20 years
- 2016 Client Survey Results: *Overall Client Satisfaction 4.7* (5-point Scale)

## Award-Winning Team

- Innovest named one of the Best Places to Work in the nation, 2016, 2014, *Pensions & Investments*
- Innovest ranked *Forbes* #3 Fastest Growing RIA Firms
- Ranked #1 among 2015 Investment Managers in Colorado\*\*
- Recognized for 403(b) Plan Conversion Campaign, 2016, The Eddy Awards
- Finalist for the Colorado Top Company Award, 2015, *ColoradoBiz*
- Top 100 Wealth Managers in the nation, 2015, *Forbes*
- 2014 Retirement Plan Adviser Team of the Year, *PLANSPONSOR*
- 19<sup>th</sup> Fastest Growing RIA in the nation, 2015, *Financial Advisor*

\*As of April 2017

\*\* According to the Denver Business Journal – assets under management as of 12/31/15

## Fiduciary Expertise

- One of the first investment firms in the Rocky Mountain region rooted in prudent fiduciary principles
- Accreditations through Investment Management Consultants Association and Center for Fiduciary Studies
- Process-oriented approach with a focus on investment and spending policies
- Expert Witness in nearly 60 cases involving fiduciary investment responsibilities
- Numerous fiduciary certifications: AIF™, AIFA™, CIMA®, CFA, QPFC, RF™, RPS

## Money Management Experience

- 16 member Investment Committee with median experience of more than 20 years
- Principals have more than 25 years of experience managing large pension and foundation portfolios
- Disciplined and opportunistic approach to forward-looking portfolio design
- Experts in many investment strategies: active, passive, hedge funds, and other alternatives
- Emphasis on downside risk quantification in developing portfolio design

## Client Access and Transparency

- Direct access to Innovest's investment and operational heads at all times
- Routine access to closed products, waived investment minimums, lower product fees, and socially responsible mandates
- Customized asset allocation, benchmarking and reporting

## Diverse Client Base

- 250+ clients in 21 states
- Retirement Plans
- Foundations & Endowments
- Wealthy Families

# INNOVEST'S HISTORY WITH LITTLETON PUBLIC SCHOOLS

## 2014-2016

- Signed contract between LPS and Innovest Portfolio Solutions, LLC in the 4th Quarter of 2014
- Negotiated new contract with TIAA after RFI process
- Assisted with conversion
- Created new investment menu
- Coordinated the education efforts of the rollout
- Designed custom model portfolios as education tool for asset allocation.
- Replaced money market fund due to money market reforms

# RETIREMENT PLAN TOPICS & TRENDS

Highlighting retirement plan trends and current legislation and regulation

## Fiduciary File Checklist: Create or Retain, and Always Maintain

### Plan Sponsor Responsibilities

• 408(b)(2) disclosures (ERISA)	<b>Required</b>	<b>Create</b>	<input type="checkbox"/>
• Fidelity Bond Documentation (ERISA)	<b>Required</b>	<b>Create</b>	<input type="checkbox"/>
• Initial Selection Documents <ul style="list-style-type: none"> <li>▪ <i>RFIs, RFPs</i></li> </ul>	<b>Required</b>	<b>Retain</b>	<input type="checkbox"/>
• Meeting Minutes	<b>Required</b>	<b>Create</b>	<input type="checkbox"/>
• Plan Audit (ERISA, depending on plan size)	<b>Required</b>	<b>Retain</b>	<input type="checkbox"/>
• Service Provider Contracts	<b>Required</b>	<b>Retain</b>	<input type="checkbox"/>
• Bylaws <ul style="list-style-type: none"> <li>▪ <i>Note: Bylaws can become a legal trap if not properly maintained. The only thing worse than not having Bylaws is not adhering to the Bylaws.</i></li> </ul>	<b>Best-Practice</b>	<b>Create</b>	<input type="checkbox"/>
• Code of Ethics	<b>Best-Practice</b>	<b>Create</b>	<input type="checkbox"/>
• Conflict of Interest Policy	<b>Best-Practice</b>	<b>Create</b>	<input type="checkbox"/>
• Fiduciary Insurance Binder	<b>As-Needed</b>	<b>Create</b>	<input type="checkbox"/>

# RETIREMENT PLAN TOPICS & TRENDS

Highlighting retirement plan trends and current legislation and regulation

## Innovest Responsibilities

- Investment Review Materials
  - *Investment Reports, Scorecards, Search Books*
- Investment Policy Statement
  - *Note: An IPS can become a legal trap if not properly maintained. The only thing worse than not having an IPS is not adhering to the IPS.*

Required

Retain



Best-Practice

Create



## Record-Keeper Responsibilities

- DOL Fee Disclosure Notice 404-a-5 (ERISA)
- Fiduciary Advice Arrangement Documents (Managed Accounts only)
- Form 5500 (ERISA)
- Non-Discrimination Testing (ERISA)
- Plan Document (+ Adoption Agreement)
- Plan Review Materials
  - *Benchmark Reports, Expense Documentation, Annual Plan Review Reports*
- Summary of Material Modification (ERISA)
- Summary Plan Description (ERISA)
- Annual Plan Administration Calendar (ERISA)
- Annual Participant Education Plan + Materials
- Enrollment Information + Materials

Required

Create



Required

Create



Required

Create



Required

Create



Required

Create



Required

Retain



Required

Create



Required

Create



Best-Practice

Create



As-Needed

Retain



As-Needed

Retain



## 401(a) Retirement Plan Statistics and Menu Coverage

### Industry Averages\*

Average Number Investment Options	19
Average Contribution Rate	5.8%/6.6%*
Average Account Balance	\$113,539

### Plan Averages

Number Investment Options	19
Average Contribution Rate	NA
Average Account Balance	\$18,105

\*Contribution rate for lower compensated/higher compensated employees as defined by ADP tests  
Source: PCSA's 58th Annual Survey of Profit Sharing and 401(k) Plans (2014)

### Menu Coverage

Fixed Income		Domestic Equity			Specialty
		Value	Core	Growth	
Metropolitan West Total Return Bond	Vanguard Total Bond Market Index	Dodge & Cox Stock	Vanguard S&P 500 Index	Harbor Capital Appreciation	TIAA-CREF Social Choice Equity
TIAA Traditional Retirement Choice		BlackRock Mid Cap Value Opportunities	Vanguard Mid Cap Index	Janus Enterprise	
		DFA U.S. Small Cap Value	Vanguard Small Cap Index	Voya Small Cap Opportunities	
Cash Equivalents		International Equity			Self Directed Brokerage
		Value	Core	Growth	
Vanguard Federal Money Market		American Beacon International	Vanguard Total International Stock Index	American Funds Europacific	Brokerage Window
Target Date Portfolios					
Vanguard Target Retirement Income	Vanguard Target Retirement 2010	Vanguard Target Retirement 2015	Vanguard Target Retirement 2020	Vanguard Target Retirement 2025	Vanguard Target Retirement 2030
	Vanguard Target Retirement 2035	Vanguard Target Retirement 2040	Vanguard Target Retirement 2045	Vanguard Target Retirement 2050	Vanguard Target Retirement 2055

## 403(b) & 457 Retirement Plan Statistics and Menu Coverage

### Industry Averages\*

Average Number Investment Options	19
Average Contribution Rate	5.8%/6.9%*
Average Account Balance	\$113,539

### Plan Averages

Number Investment Options	19
Average Account Balance-403(b)	\$21,667
Average Account Balance-457	\$42,188

\*Contribution rate for lower compensated/higher compensated employees as defined by ADP tests  
Source: PCSA's 58th Annual Survey of Profit Sharing and 401(k) Plans (2014)

### Menu Coverage

#### Fixed Income

Metropolitan West Total Return Bond	Vanguard Total Bond Market Index
TIAA Traditional Retirement Social Choice Plus	

#### Domestic Equity

	Value	Core	Growth
Large	Dodge & Cox Stock	Vanguard S&P 500 Index	Harbor Capital Appreciation
Mid	BlackRock Mid Cap Value Opportunities	Vanguard Mid Cap Index	Janus Enterprise
Small	DFA U.S. Small Cap Value	Vanguard Small Cap Index	Voya Small Cap Opportunities

#### Specialty

TIAA-CREF Social Choice Equity
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#### Cash Equivalents

Vanguard Federal Money Market
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#### International Equity

Value	Core	Growth
American Beacon International	Vanguard Total International Stock Index	American Funds Europacific

#### Self Directed Brokerage

Brokerage Window
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Target Date Portfolios					
Vanguard Target Retirement Income	Vanguard Target Retirement 2010	Vanguard Target Retirement 2015	Vanguard Target Retirement 2020	Vanguard Target Retirement 2025	Vanguard Target Retirement 2030
Vanguard Target Retirement 2035	Vanguard Target Retirement 2040	Vanguard Target Retirement 2045	Vanguard Target Retirement 2050	Vanguard Target Retirement 2055	

# Littleton Public Schools Combined Annual Fee Review

	<b>Plan</b>	<b>Benchmark*</b>
Plan assets as of 12/31/2016	\$ 8,595,900	Similarly Sized
<b>Investment, Recordkeeping and Administrative Costs</b>	<b>0.63%</b>	<b>1.46%</b>
Estimated Total Plan Expenses	0.95%	N/A

	Provider	Employer Paid		Employee Paid		Total	
		Fee (in \$)	Fee (in %)	Fee (in \$)	Fee (in %)	Fee (in \$)	Fee (in %)
Expense ratio retained by fund manager	Fund Managers			\$ 17,904	0.21%	\$ 17,904	0.21%
Revenue sharing sent to recordkeeper	TIAA			\$ 1,811	0.02%	\$ 1,811	0.02%
Gross Investment Management Fees		\$ -	0.00%	\$ 19,716	0.23%	\$ 19,716	0.23%
Recordkeeping/Administration Fee	TIAA			\$ 34,292	0.40%	\$ 34,292	0.40%
Gross Recordkeeping and Administrative Fees		\$ -	0.00%	\$ 34,292	0.40%	\$ 34,292	0.40%
Total Investment, Recordkeeping and Administrative Costs		\$ -	0.00%	\$ 54,007	0.63%	\$ 54,007	0.63%
Investment Consultant	Innovest	\$ 27,775	0.32%			\$ 27,775	0.32%
Total Plan Expenses		\$ 27,775	0.32%	\$ 54,007	0.63%	\$ 81,782	0.95%

\*The plan's estimated investment, recordkeeping and administrative costs of 0.63% as shown above, compare favorably to 401(k) Source data, a universe of 60 similarly sized 401(k) plans with an average investment, recordkeeping and administrative cost of 1.46%.

This review illustrates estimated plan costs based on available data.



## Asset Allocation - 401(a)

### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	40,892	1.54	26,533	0.95
Vanguard S&P 500	114,973	4.34	130,364	4.66
Harbor Capital Appreciation Instl	112,894	4.26	123,762	4.42
<b>Total Large Cap Equity</b>	<b>268,759</b>	<b>10.15</b>	<b>280,659</b>	<b>10.02</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	1,322	0.05	1,353	0.05
Vanguard Mid Cap Index	7,482	0.28	7,937	0.28
Janus Enterprise	40,430	1.53	44,275	1.58
<b>Total Mid Cap Equity</b>	<b>49,234</b>	<b>1.86</b>	<b>53,564</b>	<b>1.91</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	7,416	0.28	7,308	0.26
Vanguard Small Cap Index	18,164	0.69	20,345	0.73
Voya Small Cap Opportunities	-	0.00	-	0.00
<b>Total Small Cap Equity</b>	<b>25,579</b>	<b>0.97</b>	<b>27,653</b>	<b>0.99</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	11,601	0.44	12,394	0.44
Vanguard Total Intl Stock Index	91,109	3.44	88,321	3.15
American Funds EuroPacific Gr	18,882	0.71	29,590	1.06
<b>Total International Equity</b>	<b>121,591</b>	<b>4.59</b>	<b>130,305</b>	<b>4.65</b>
<b>Fixed Income</b>				
Met West Total Return	65,265	2.47	36,966	1.32
Vanguard Total Bond Market Idx	383	0.01	17,200	0.61
TIAA Traditional Retirement Choice	34,025	1.29	53,136	1.90
<b>Total Fixed Income</b>	<b>99,673</b>	<b>3.77</b>	<b>107,302</b>	<b>3.83</b>

### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	1,596	0.06	3,489	0.12
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	2,265	0.09	508	0.02
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	-	0.00	-	0.00
Vanguard Target Retirement 2010	189,343	7.15	193,921	6.92
Vanguard Target Retirement 2015	244,991	9.26	252,998	9.03
Vanguard Target Retirement 2020	242,051	9.14	251,125	8.97
Vanguard Target Retirement 2025	397,745	15.03	415,553	14.84
Vanguard Target Retirement 2030	231,977	8.76	243,557	8.70
Vanguard Target Retirement 2035	473,411	17.88	499,038	17.82
Vanguard Target Retirement 2040	226,466	8.56	239,857	8.56
Vanguard Target Retirement 2045	54,679	2.07	82,194	2.93
Vanguard Target Retirement 2050	14,897	0.56	15,802	0.56
Vanguard Target Retirement 2055	2,800	0.11	2,970	0.11
<b>Total Target Date Funds</b>	<b>2,078,360</b>	<b>78.52</b>	<b>2,197,017</b>	<b>78.45</b>
<b>Self Directed Brokerage</b>				
Self Directed Account	-	0.00	-	0.00
<b>LPS 401(a) Total Fund</b>	<b>2,647,057</b>	<b>100.00</b>	<b>2,800,498</b>	<b>100.00</b>

## Asset Allocation - 403(b)

### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	90,620	2.23	112,474	2.58
Vanguard S&P 500	317,285	7.80	361,696	8.31
Harbor Capital Appreciation Instl	110,414	2.72	126,692	2.91
<b>Total Large Cap Equity</b>	<b>518,320</b>	<b>12.75</b>	<b>600,862</b>	<b>13.80</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	10,059	0.25	2,607	0.06
Vanguard Mid Cap Index	33,514	0.82	37,740	0.87
Janus Enterprise	53,557	1.32	72,186	1.66
<b>Total Mid Cap Equity</b>	<b>97,130</b>	<b>2.39</b>	<b>112,533</b>	<b>2.58</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	19,748	0.49	19,922	0.46
Vanguard Small Cap Index	52,537	1.29	57,314	1.32
Voya Small Cap Opportunities	1,414	0.03	1,741	0.04
<b>Total Small Cap Equity</b>	<b>73,699</b>	<b>1.81</b>	<b>78,977</b>	<b>1.81</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	24,454	0.60	27,254	0.63
Vanguard Total Intl Stock Index	152,752	3.76	164,313	3.77
American Funds EuroPacific Gr	53,193	1.31	61,032	1.40
<b>Total International Equity</b>	<b>230,399</b>	<b>5.67</b>	<b>252,599</b>	<b>5.80</b>
<b>Fixed Income</b>				
Met West Total Return	115,977	2.85	124,578	2.86
Vanguard Total Bond Market Idx	21,028	0.52	25,208	0.58
TIAA Traditional Retirement Choice Plus	330,241	8.12	331,267	7.61
<b>Total Fixed Income</b>	<b>467,245</b>	<b>11.49</b>	<b>481,052</b>	<b>11.05</b>

### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	23,361	0.57	29,180	0.67
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	3,697	0.09	5,426	0.12
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	152,756	3.76	158,983	3.65
Vanguard Target Retirement 2010	156,421	3.85	160,433	3.68
Vanguard Target Retirement 2015	75,843	1.87	79,104	1.82
Vanguard Target Retirement 2020	506,261	12.45	466,797	10.72
Vanguard Target Retirement 2025	684,828	16.84	734,543	16.87
Vanguard Target Retirement 2030	130,544	3.21	145,233	3.33
Vanguard Target Retirement 2035	374,533	9.21	411,759	9.45
Vanguard Target Retirement 2040	410,541	10.10	455,597	10.46
Vanguard Target Retirement 2045	56,919	1.40	64,689	1.49
Vanguard Target Retirement 2050	101,554	2.50	114,747	2.63
Vanguard Target Retirement 2055	1,816	0.04	2,629	0.06
<b>Total Target Date Funds</b>	<b>2,652,016</b>	<b>65.23</b>	<b>2,794,515</b>	<b>64.17</b>
<b>Self Directed Brokerage</b>				
Self Directed Account	-	0.00	-	0.00
<b>LPS 403(b) Total Fund</b>	<b>4,065,867</b>	<b>100.00</b>	<b>4,355,144</b>	<b>100.00</b>

## Asset Allocation - 457

### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
Dodge & Cox Stock	54,317	2.88	20,592	1.02
Vanguard S&P 500	138,596	7.36	136,070	6.72
Harbor Capital Appreciation Instl	448,855	23.84	499,785	24.68
<b>Total Large Cap Equity</b>	<b>641,767</b>	<b>34.08</b>	<b>656,446</b>	<b>32.42</b>
<b>Mid Cap Equity</b>				
BlackRock Mid Cap Value Opportunities	807	0.04	862	0.04
Vanguard Mid Cap Index	3,526	0.19	3,758	0.19
Janus Enterprise	23,860	1.27	30,370	1.50
<b>Total Mid Cap Equity</b>	<b>28,192</b>	<b>1.50</b>	<b>34,990</b>	<b>1.73</b>
<b>Small Cap Equity</b>				
DFA US Small Cap Value	710	0.04	730	0.04
Vanguard Small Cap Index	20,346	1.08	29,724	1.47
Voya Small Cap Opportunities	505	0.03	745	0.04
<b>Total Small Cap Equity</b>	<b>21,561</b>	<b>1.15</b>	<b>31,199</b>	<b>1.54</b>
<b>International Equity</b>				
American Beacon Intl Equity Instl	-	0.00	-	0.00
Vanguard Total Intl Stock Index	78,199	4.15	63,955	3.16
American Funds EuroPacific Gr	2,697	0.14	26,747	1.32
<b>Total International Equity</b>	<b>80,896</b>	<b>4.30</b>	<b>90,703</b>	<b>4.48</b>
<b>Fixed Income</b>				
Met West Total Return	55,749	2.96	34,250	1.69
Vanguard Total Bond Market Idx	9,920	0.53	54,217	2.68
TIAA Traditional Retirement Choice Plus	92,921	4.93	134,130	6.62
<b>Total Fixed Income</b>	<b>158,590</b>	<b>8.42</b>	<b>222,597</b>	<b>10.99</b>

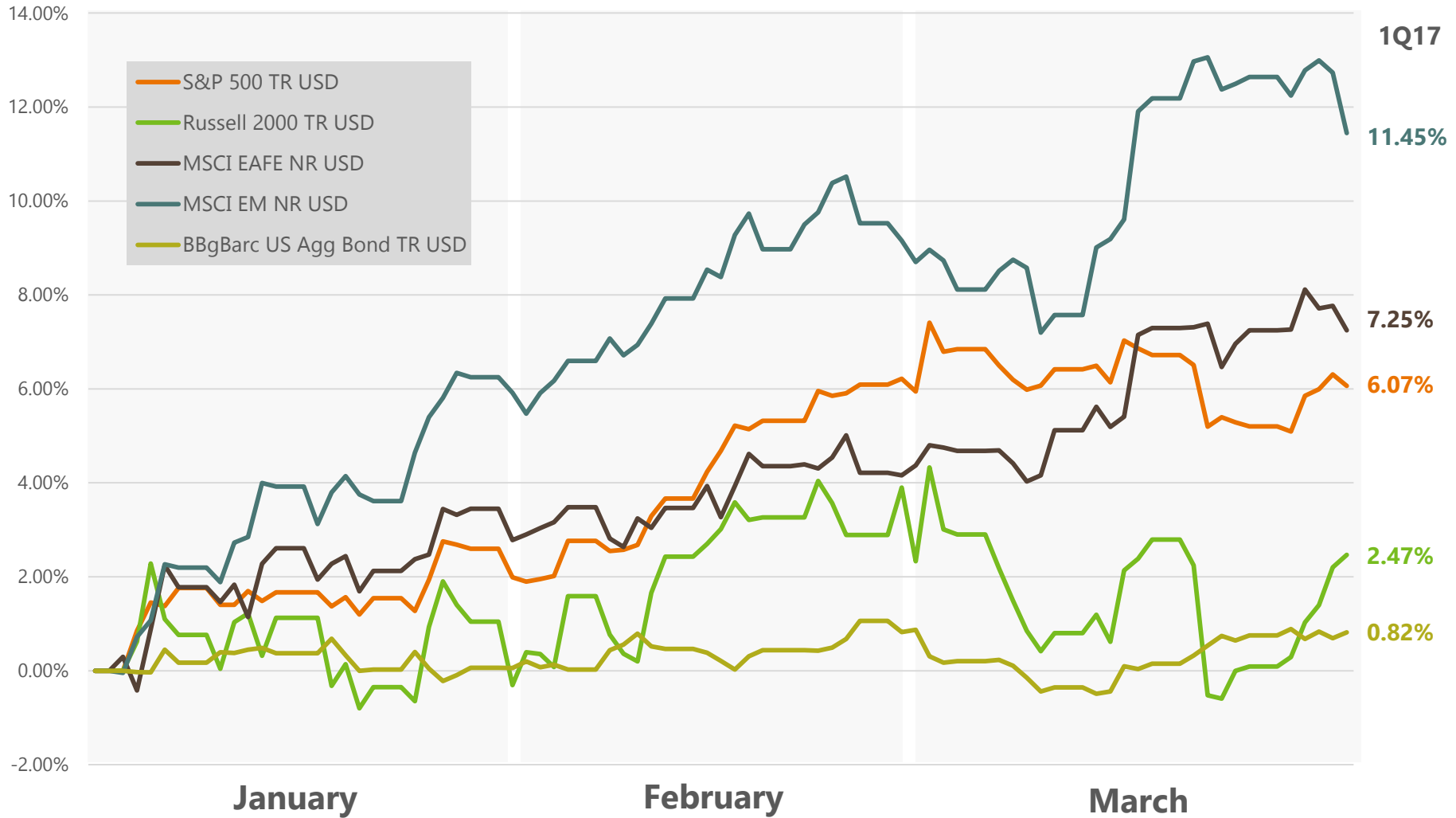
### Asset Allocation

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Specialty</b>				
TIAA-CREF Social Choice	1,872	0.10	2,265	0.11
<b>Cash &amp; Equivalents</b>				
Vanguard Federal Money Market	2,678	0.14	3,768	0.19
<b>Target Date Funds</b>				
Vanguard Target Retirement Income	-	0.00	-	0.00
Vanguard Target Retirement 2010	234,274	12.44	240,172	11.86
Vanguard Target Retirement 2015	274,020	14.55	268,381	13.25
Vanguard Target Retirement 2020	188,754	10.02	197,691	9.76
Vanguard Target Retirement 2025	45,196	2.40	51,246	2.53
Vanguard Target Retirement 2030	31,995	1.70	33,593	1.66
Vanguard Target Retirement 2035	-	0.00	-	0.00
Vanguard Target Retirement 2040	61,437	3.26	69,641	3.44
Vanguard Target Retirement 2045	54,698	2.90	60,521	2.99
Vanguard Target Retirement 2050	57,046	3.03	61,806	3.05
Vanguard Target Retirement 2055	-	0.00	-	0.00
<b>Total Target Date Funds</b>	<b>947,420</b>	<b>50.32</b>	<b>983,051</b>	<b>48.55</b>
<b>LPS 457 Total Fund</b>	<b>1,882,976</b>	<b>100.00</b>	<b>2,025,020</b>	<b>100.00</b>

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# THE MARKETS

## Investment Returns First Quarter 2017

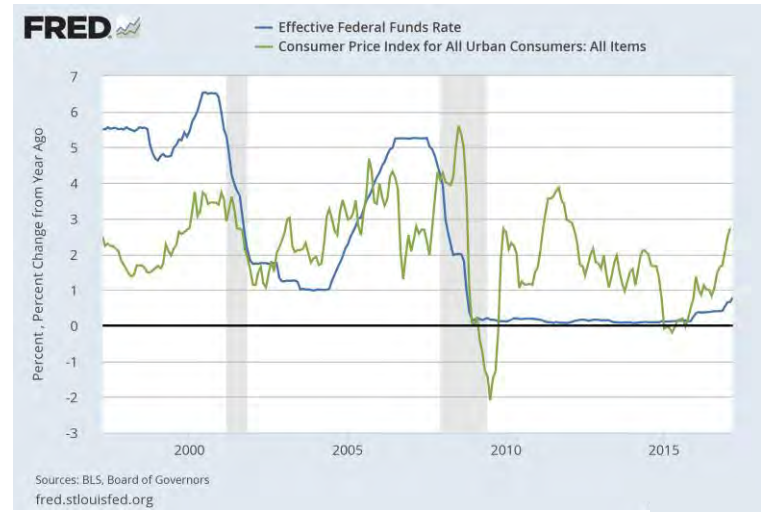


# GLOBAL ECONOMICS

## The Fed Takes a Hike

- After a decade hovering near zero, the Fed Funds rate has begun to creep upward.
- Fed Funds expectations for year-end 2017 are 1.25% to 1.50% with approximately 0.50% to 0.75% increases in 2018 and 2019.
- If inflation accelerates, the Fed would be pressured to raise rates more quickly.

## Effective Fed Funds Rate vs CPI

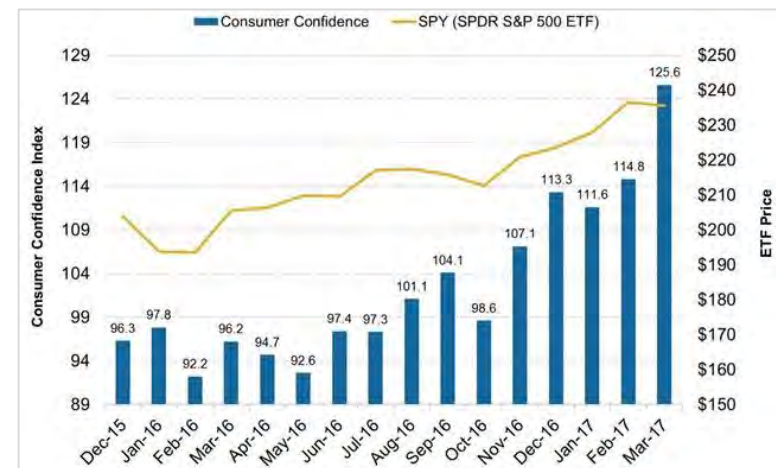


As of March 2017.

## Optimism Hits a 16-Year High

- Despite sluggish GDP growth, consumers are optimistic about higher income, job prospects, and low inflation.
- Vehicle sales and housing starts are significantly above their 2009 lows.
- Average U.S. home prices are at a high of \$286k.

## US Consumer Confidence in March



Source: Market Realist, data as of March 2017.

# GLOBAL ECONOMICS, CONTINUED

## Risk in Chinese Debt Levels

- Chinese non-financial corporate borrowing relative to GDP is significantly higher than other emerging markets countries.
- Chinese investment in the US tripled from 2015 to 2016.
- China's credit growth in 2016 was approximately 15%, compared with nominal GDP growth of approximately 8%.



Source: BMI, via WSJ-DS.

## Populism: 'European Spring' Ahead?

- Many 2017 European elections feature nationalist populist candidates.
- Notable are the French and German elections in April/May and September/October, respectively.
- Election outcomes will shape the future of trade, business, immigration, currency, and the survival of the EU.



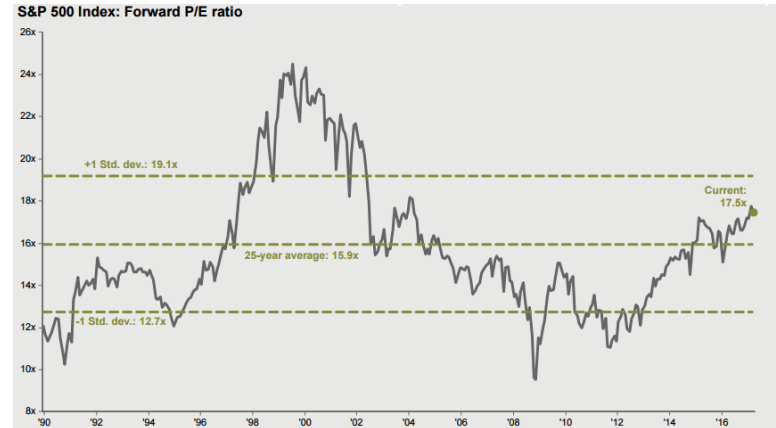
Source: Cagle Cartoons. Used with permission.

# ASSET CLASS FUNDAMENTALS

## The Case for Rebalancing

- The current forward P/E ratio of 17.5x is up following the end of 2016, indicating that equity valuations continue to rise.
- When markets are performing well, investors tend to overlook the risk of “portfolio drift” versus their target asset allocation.
- Disciplined portfolio rebalancing is an effective tool to manage risk.

## S&P 500 Valuation Measures



Source: FactSet, FRB, IBES, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management. As of 3/31/2017.

## Bonds as a Ballast

- In recent years, many investors have reduced fixed income exposure in favor of equities, perhaps without consideration of the impact on portfolio risk.
- High quality bonds' loss of 2.9% in 1994 hardly compares to the 38% loss of large cap US stocks in 2008.
- Even with modest future returns, high quality bonds can help to mitigate portfolio risk.

## Drawdowns for Stocks vs Bonds



Source: WSJ via Daily Shot



# ASSET CLASS FUNDAMENTALS, CONTINUED

## Emerging Markets Take Off

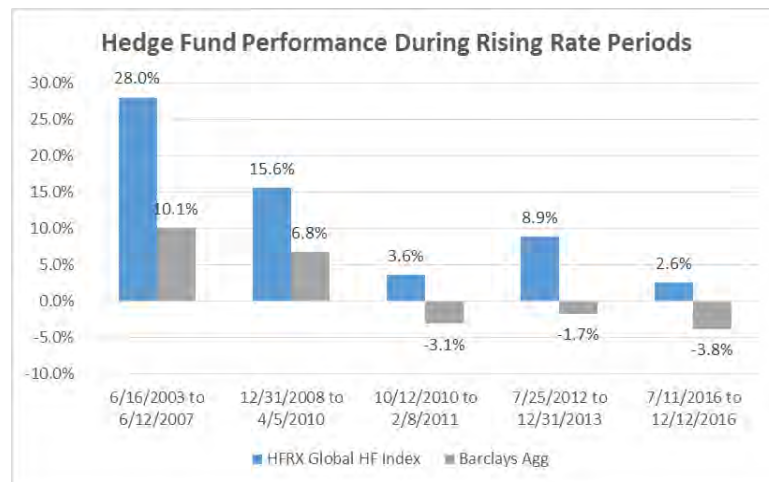
- Emerging markets stocks rallied 11.5% in the first quarter of 2017, in part spurred by below-average valuations.
- More than one-third of the gain came from a rebound in emerging market's currencies.
- Stocks in Mexico and South Korea gained between 16% and 17% in the first quarter of 2017.



Sources: William Blair, BofA Merrill Lynch Global Research, MSCI, and FactSet. As of 12/2016.

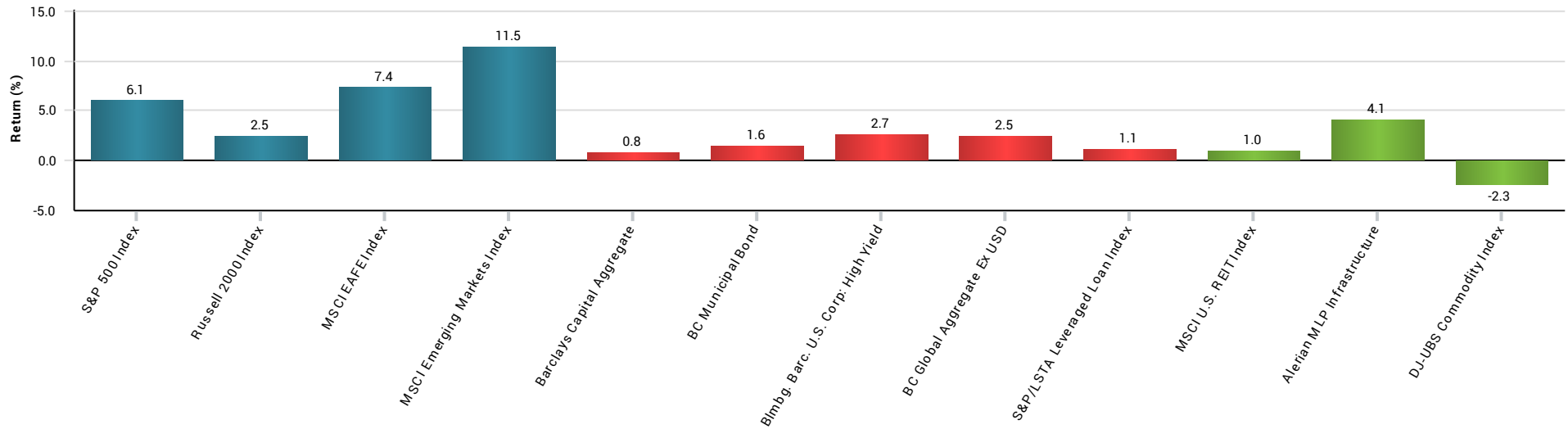
## Alternatives and Rising Rates

- Hedge funds have tended to outperform fixed income in rising rate environments.
- Real estate also tends to outperform fixed income in rising rate and inflationary environments.
- Deregulation in the energy sector could spur MLPs' growth, including the building of new pipelines.



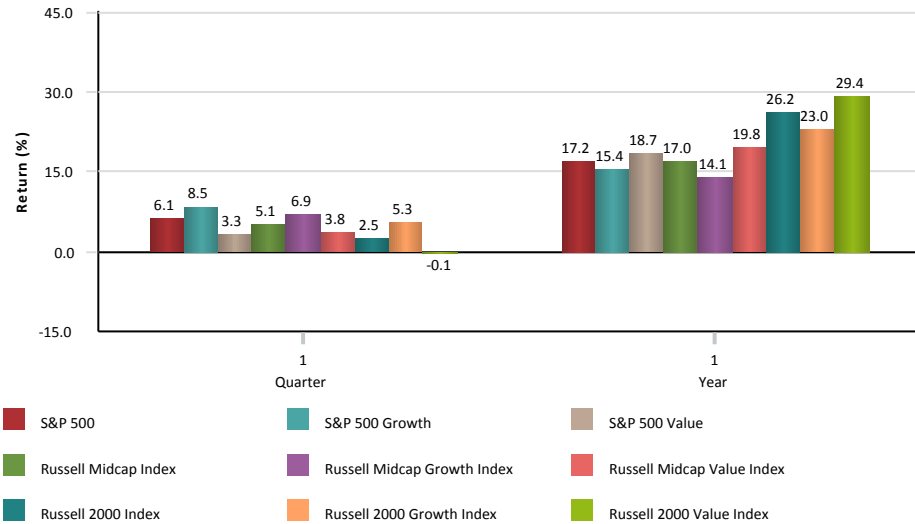
\*Data shows the last five periods when the 10-Year treasury yield increased by at least 10%. Sources: Bloomberg and Neuberger Berman Investment Strategy and Asset Allocation, March 2017.

1 Quarter Performance



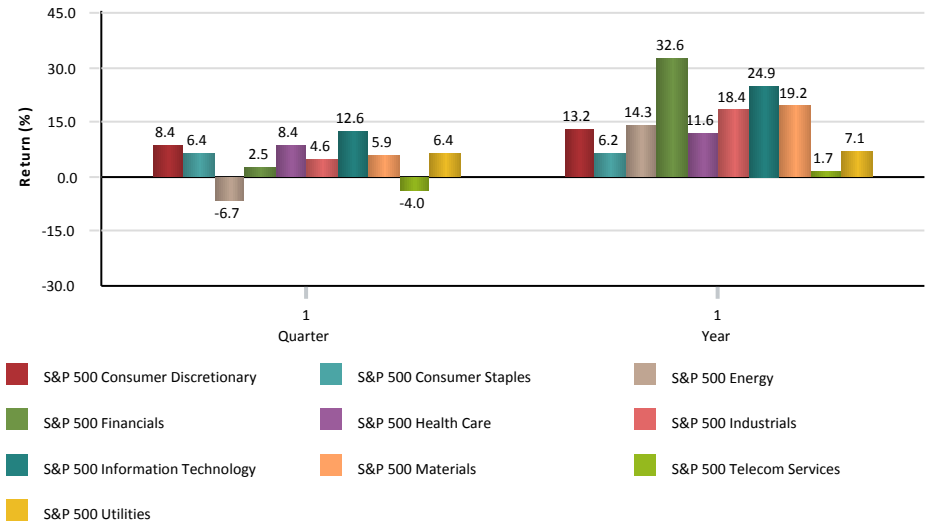
Source: Investment Metrics, LLC

US Market Indices Performance



Source: Investment Metrics, LLC

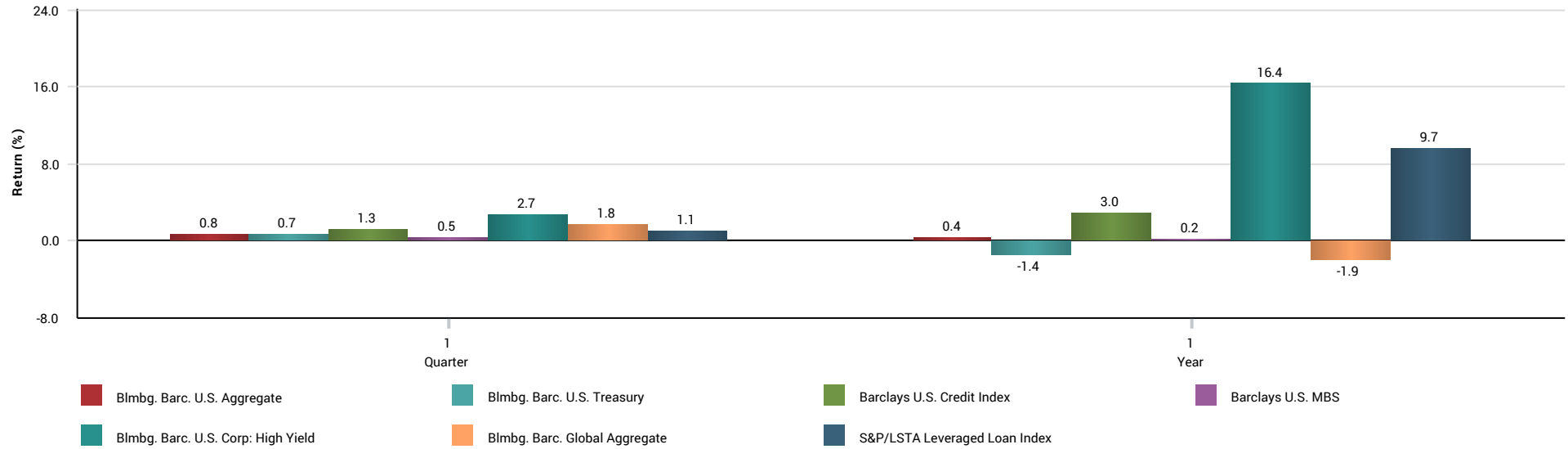
US Market Sector Performance



Source: Investment Metrics, LLC

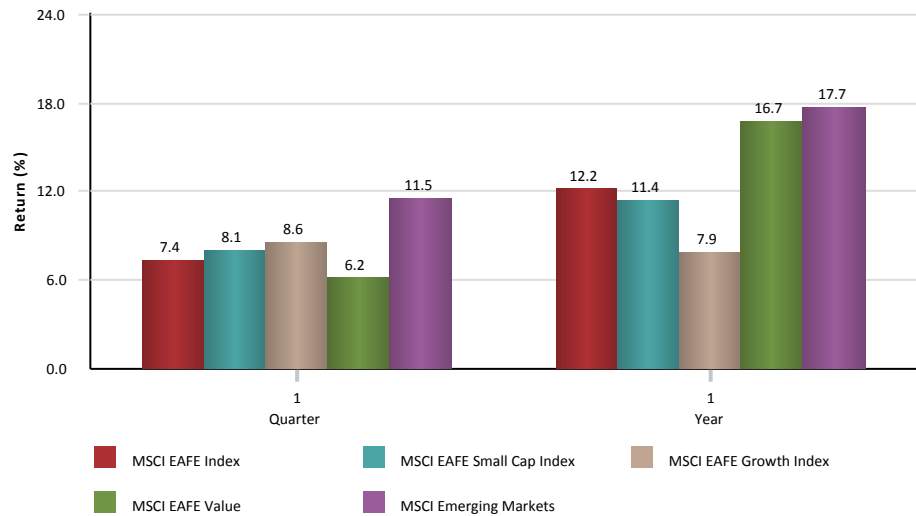
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Fixed Income Market Sector Performance



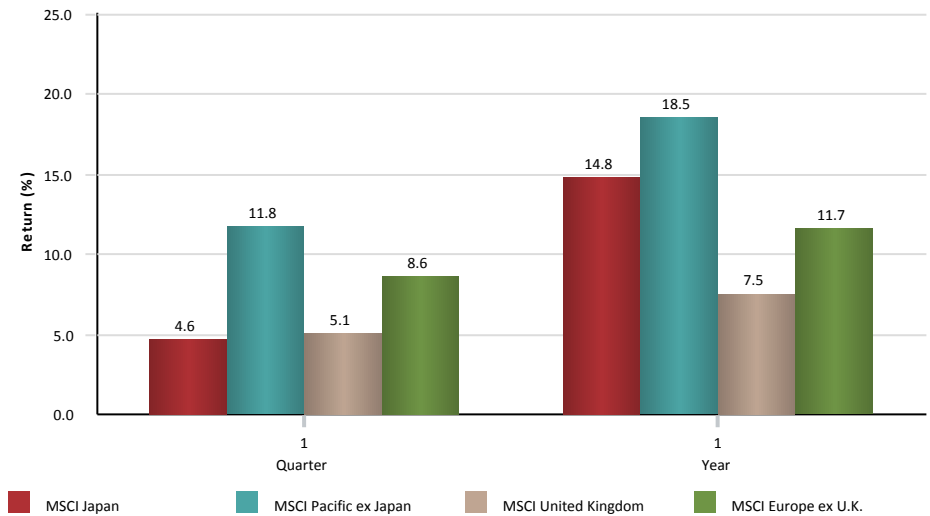
Source: Investment Metrics, LLC

Intl Equity Indices Performance



Source: Investment Metrics, LLC

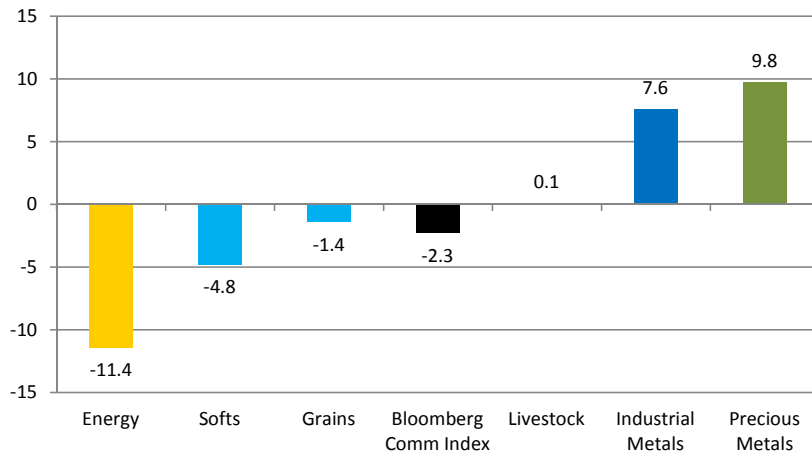
Intl Equity Region Performance



Source: Investment Metrics, LLC

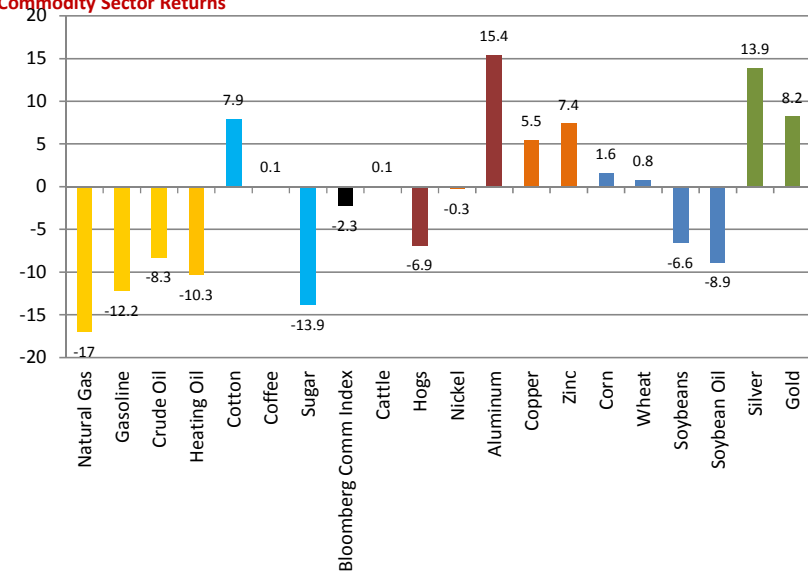
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Commodity Broad Sector Returns



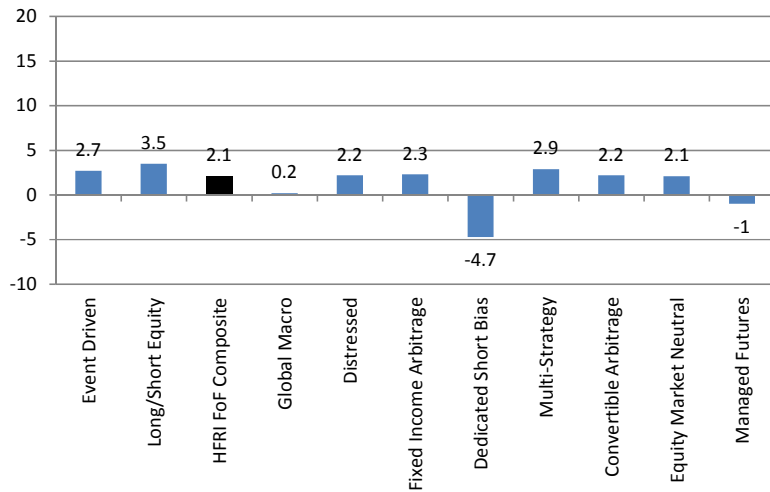
Source: Christenson Investment Partners

Commodity Sector Returns



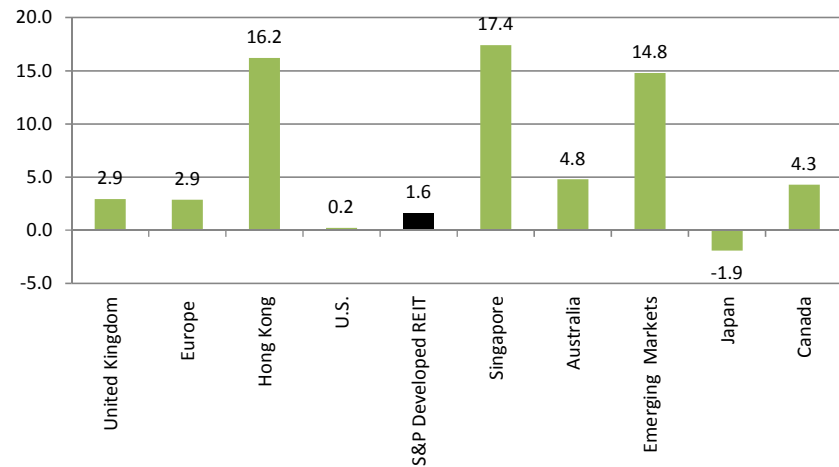
Source: Christenson Investment Partners

Hedge Fund Strategy Returns



Source: Christenson Investment Partners

Global REIT Country and Regional Returns



Source: FTSE EPRA/NAREIT Indices

## Manager Score Card

	Criteria								Costs		
	Organization	People	Philosophy & Process	Style Consistency	Asset Base	Performance	Expenses	Overall	Exp Ratio (%)	Median Exp Ratio (%)	Ratio of Exp to Median (%)
Dodge & Cox Stock (DODGX)	█	█	█	█	█	█	█	█	0.52	1.04	50.00
Vanguard 500 Index;Adm (VFIAX)	█	█	█	█	█	█	█	█	0.05	1.05	4.76
Harbor:Cap Apprec;Inst (HACAX)	█	█	█	█	█	█	█	█	0.65	1.11	58.56
BlackRock:MC Val Opp;I (MARFX)	█	█	█	█	█	█	█	█	0.94	1.18	79.66
Vanguard Md-Cp Idx;Adm (VIMAX)	█	█	█	█	█	█	█	█	0.08	1.21	6.61
Janus Enterprise;N (JDMNX)	█	█	█	█	█	█	█	█	0.67	1.27	52.76
DFA US Small Cap Val;I (DFSVM)	█	█	█	█	█	█	█	█	0.52	1.26	41.27
Vanguard Sm-Cp Idx;Adm (VSMAX)	█	█	█	█	█	█	█	█	0.08	1.18	6.78
Voya:SmCp Oppty;R6 (ISOZX)	█	█	█	█	█	█	█	█	0.99	1.34	73.88
Am Beacon:Intl Eq;Inst (AAIEX)	█	█	█	█	█	█	█	█	0.70	1.07	65.42
Vanguard Tot I Stk;Adm (VTIAX)	█	█	█	█	█	█	█	█	0.11	1.16	9.48
American Funds EuPc;R-6 (REMGX)	█	█	█	█	█	█	█	█	0.50	1.19	42.02
Met West:Total Return;I (MWTIX)	█	█	█	█	█	█	█	█	0.44	0.76	57.89
Vanguard Tot Bd;Adm (VBTLX)	█	█	█	█	█	█	█	█	0.06	0.76	7.89
TIAA-Traditional	█	█	█	█	█	█	█	█	0.00	0.00	0.00
TIAA-CREF:Soc Ch Eq;Inst (TISCX)	█	█	█	█	█	█	█	█	0.18	1.19	15.13
Vanguard Fed MM;Inv (VMFXX)	█	█	█	█	█	█	█	█	0.11	0.55	16.36
Vanguard Target Date Funds	█	█	█	█	█	█	█	█	0.15	0.91	16.48

█	No/Minimum Concerns	█	New No/Minimum Concerns
█	Minor Concern	█	Upgrade to Minor Concern
█	Major Concern	█	Downgrade to Minor Concern
█	Under Review	█	New Major Concern

Manager	Score Factor	Comments
Harbor:Cap Apprec;Inst (HACAX)	Style Consistency	The fund has a significant overweight to IT and recently it's weighting in the sector has hit the highest level since inception. The significant overweight warrants additional monitoring and due diligence, although we remain confident in the manager's ability to perform over the long term.
BlackRock:MC Val Opp;I (MARFX)	Performance	This fund's performance has been hampered by stock selection, especially in the consumer discretionary, materials, and industrials sectors.
Janus Enterprise;N (JDMNX)	Organization	Janus Capital Group, Inc. reached an agreement for an all stock "merger of equals" transaction with Henderson Group plc, a U.K.-based global asset manager. The merger is still in its early stages and the long-term effects are unknown. We will continue to monitor the situation.
Voya:SmCp Oppty;R6 (ISOZX)	People	Jeff Becker stepped down as CEO of Voya Investment Management on September 1, 2016. Christine Hurtsellers, former head of Fixed Income, will replace him, leading to a number of position shifts internally. We will continue to monitor the transition.
TIAA-Traditional	Exp Ratio (Basis Points)	Expenses cannot be determined as it is a spread product.
TIAA-CREF:Soc Ch Eq;Inst (TISCX)	People	Bill Riegel, the CIO of TIAA-CREF, has announced that he intends to retire, effective April 1, 2017. TIAA-CREF has a large talent pool and a number of months to search for an ideal candidate, so we will continue to monitor the situation but do not feel abundant cause for concern.

The Expense Ratio and Median Expense Ratio for Hedge Fund of Funds and Private Equity Fund of Funds excludes underlying fund expenses; the expenses shown are only at the Fund of Funds level.

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Large Cap Equity</b>									
Dodge & Cox Stock	4.97 (8)	4.97 (8)	28.58 (1)	9.44 (5)	15.24 (1)	12.98 (4)	6.26 (23)	20.99 (3)	10/01/2015
S&P 500 Value	3.29 (65)	3.29 (65)	18.66 (45)	8.88 (9)	12.66 (19)	11.87 (16)	5.70 (41)	18.26 (17)	
IM U.S. Large Cap Value Equity (MF) Median	3.63	3.63	18.36	7.30	11.71	10.62	5.34	15.65	
<b>Vanguard S&amp;P 500</b>									
Vanguard S&P 500	6.05 (33)	6.05 (33)	17.13 (36)	10.34 (11)	13.26 (13)	12.90 (11)	7.50 (21)	17.31 (19)	10/01/2015
S&P 500 Index	6.07 (33)	6.07 (33)	17.17 (35)	10.37 (10)	13.30 (12)	12.94 (10)	7.51 (21)	17.34 (18)	
IM U.S. Large Cap Core Equity (MF) Median	5.59	5.59	16.10	8.51	12.01	11.49	6.61	15.45	
<b>Harbor Capital Appreciation Instl</b>									
Harbor Capital Appreciation Instl	10.64 (23)	10.64 (23)	15.83 (31)	10.17 (30)	12.30 (35)	12.80 (26)	8.98 (20)	11.87 (68)	10/01/2015
S&P 500 Growth	8.53 (67)	8.53 (67)	15.40 (38)	11.53 (8)	13.77 (8)	13.88 (7)	9.19 (15)	16.12 (7)	
IM U.S. Large Cap Growth Equity (MF) Median	9.34	9.34	14.56	9.27	11.57	11.86	8.06	12.98	
<b>Mid Cap Equity</b>									
BlackRock Mid Cap Value	2.41 (80)	2.41 (80)	21.23 (17)	6.47 (74)	11.25 (80)	11.78 (56)	7.68 (16)	17.60 (27)	10/01/2015
Russell Midcap Value Index	3.76 (24)	3.76 (24)	19.82 (38)	8.94 (17)	14.07 (16)	13.42 (6)	7.47 (22)	18.13 (21)	
IM U.S. Mid Cap Value Equity (MF) Median	3.10	3.10	19.08	7.43	12.46	11.96	6.47	16.24	
<b>Vanguard Mid Cap Index</b>									
Vanguard Mid Cap Index	6.19 (12)	6.19 (12)	16.74 (61)	8.68 (18)	12.88 (21)	13.02 (12)	7.82 (20)	14.28 (50)	10/01/2015
CRSP U.S. Mid Cap TR Index	6.20 (11)	6.20 (11)	16.80 (59)	8.73 (16)	13.04 (17)	13.29 (8)	7.80 (22)	14.32 (49)	
IM U.S. Mid Cap Core Equity (MF) Median	4.24	4.24	17.35	6.87	11.62	11.36	6.72	14.28	
<b>Janus Enterprise</b>									
Janus Enterprise	7.18 (44)	7.18 (44)	16.95 (30)	10.99 (2)	N/A	N/A	N/A	16.73 (2)	10/01/2015
Russell Midcap Growth Index	6.89 (59)	6.89 (59)	14.07 (64)	7.88 (22)	11.95 (25)	12.81 (20)	8.13 (26)	12.58 (33)	
IM U.S. Mid Cap Growth Equity (MF) Median	7.04	7.04	15.21	6.09	10.11	11.22	7.20	10.61	
<b>Small Cap Equity</b>									
DFA US Small Cap Value	-1.35 (60)	-1.35 (60)	23.89 (49)	6.05 (48)	13.03 (13)	12.37 (16)	6.36 (47)	18.45 (67)	10/01/2015
Russell 2000 Value Index	-0.13 (33)	-0.13 (33)	29.37 (19)	7.62 (28)	12.54 (19)	11.59 (37)	6.09 (53)	22.36 (25)	
IM U.S. Small Cap Value Equity (MF) Median	-0.99	-0.99	23.75	5.62	11.36	11.06	6.26	19.65	
<b>Vanguard Small Cap Index</b>									
Vanguard Small Cap Index	3.74 (7)	3.74 (7)	21.51 (73)	7.41 (47)	12.89 (36)	12.99 (31)	8.20 (19)	16.99 (55)	10/01/2015
CRSP U.S. Small Cap TR Index	3.74 (7)	3.74 (7)	21.47 (74)	7.39 (47)	13.00 (35)	13.29 (27)	8.57 (9)	16.97 (56)	
IM U.S. Small Cap Core Equity (MF) Median	0.83	0.83	23.19	7.05	12.25	12.18	5.99	17.42	
<b>Voya Small Cap Opportunities</b>									
Voya Small Cap Opportunities	6.33 (22)	6.33 (22)	23.65 (52)	7.55 (23)	N/A	N/A	N/A	17.00 (19)	10/01/2015
Russell 2000 Growth Index	5.35 (27)	5.35 (27)	23.03 (53)	6.72 (33)	12.10 (20)	12.88 (43)	8.06 (16)	14.39 (44)	
IM U.S. Small Cap Growth Equity (MF) Median	3.94	3.94	24.13	4.14	11.01	12.65	7.28	13.32	
<b>International Equity</b>									
American Beacon Intl Equity Instl	6.95 (45)	6.95 (45)	10.73 (63)	-0.76 (31)	5.79 (9)	4.77 (16)	1.42 (18)	6.62 (78)	10/01/2015
MSCI EAFE Value Index (Net)	6.05 (74)	6.05 (74)	15.98 (1)	-0.61 (28)	5.56 (19)	3.90 (41)	0.05 (42)	9.36 (3)	
IM International Large Cap Value Equity (MF) Median	6.77	6.77	11.96	-1.01	4.76	3.67	-0.18	7.17	

TIAA Traditional Annuity Returns show current quarter's credit rate.

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Vanguard Total Intl Stock Index	8.47 (53)	8.47 (53)	13.74 (38)	1.10 (45)	4.83 (52)	N/A	N/A	10.81 (42)	10/01/2015
FTSE Global ex USA All Cap Index	7.97 (62)	7.97 (62)	13.67 (39)	1.45 (39)	5.21 (45)	4.68 (42)	2.18 (38)	11.38 (38)	
IM International Equity (MF) Median	8.69	8.69	12.07	0.83	4.86	4.27	1.52	9.53	
American Funds EuroPacific Gr	9.37 (18)	9.37 (18)	13.10 (12)	2.17 (28)	6.64 (4)	5.58 (26)	N/A	8.98 (22)	10/01/2015
MSCI EAFE Growth Index (Net)	8.52 (47)	8.52 (47)	7.45 (73)	1.50 (50)	6.00 (22)	5.46 (33)	1.98 (78)	8.00 (44)	
IM International Large Cap Growth Equity (MF) Median	8.30	8.30	10.21	1.47	5.25	4.97	2.50	7.79	
Fixed Income									
Met West Total Return	0.90 (55)	0.90 (55)	0.93 (58)	2.57 (39)	3.70 (3)	4.89 (3)	5.80 (1)	1.97 (58)	10/01/2015
Bloomberg Barclays U.S. Aggregate Index	0.82 (67)	0.82 (67)	0.44 (71)	2.68 (28)	2.34 (51)	3.48 (52)	4.27 (38)	1.92 (61)	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.93	0.93	1.19	2.42	2.36	3.51	4.06	2.10	
Vanguard Total Bond Market Idx	0.91 (55)	0.91 (55)	0.43 (72)	2.60 (37)	2.27 (57)	3.42 (58)	4.23 (40)	1.92 (61)	10/01/2015
Bloomberg Barclays U.S. Aggregate Index	0.82 (67)	0.82 (67)	0.44 (71)	2.68 (28)	2.34 (51)	3.48 (52)	4.27 (38)	1.92 (61)	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.93	0.93	1.19	2.42	2.36	3.51	4.06	2.10	
TIAA Traditional Annuity RC-401(a)	1.07 (1)	1.07 (1)	4.14 (1)	4.12 (1)	4.01 (1)	4.04 (1)	4.26 (1)	4.19 (1)	10/01/2015
Ryan 3 Yr GIC Master Index	0.37 (97)	0.37 (97)	1.43 (93)	1.23 (97)	1.21 (98)	1.64 (93)	2.51 (75)	1.38 (93)	
IM U.S. GIC/Stable Value (SA+CF) Median	0.45	0.45	1.90	1.90	1.88	2.26	2.76	1.90	
TIAA Traditional Annuity RCP-403(b) & 457	0.88 (1)	0.88 (1)	3.36 (1)	3.34 (1)	3.24 (1)	3.27 (1)	3.46 (4)	3.41 (1)	10/01/2015
Ryan 3 Yr GIC Master Index	0.37 (97)	0.37 (97)	1.43 (93)	1.23 (97)	1.21 (98)	1.64 (93)	2.51 (75)	1.38 (93)	
IM U.S. GIC/Stable Value (SA+CF) Median	0.45	0.45	1.90	1.90	1.88	2.26	2.76	1.90	
Specialty									
TIAA-CREF:Soc Ch Eq;Inst	5.09 (64)	5.09 (64)	17.32 (33)	8.36 (35)	12.23 (43)	11.75 (39)	7.16 (31)	16.69 (20)	10/01/2015
S&P 500 Index	6.07 (32)	6.07 (32)	17.17 (34)	10.37 (5)	13.30 (11)	12.94 (11)	7.51 (22)	17.34 (10)	
IM U.S. Multi-Cap Core Equity (MF) Median	5.49	5.49	15.25	7.50	11.89	11.31	6.39	14.12	
Cash & Equivalents									
Vanguard Federal Money Market	0.12 (20)	0.12 (20)	0.36 (15)	0.16 (14)	0.10 (16)	0.08 (18)	0.72 (18)	4.31 (35)	08/01/1981
90 Day U.S. Treasury Bill	0.10 (32)	0.10 (32)	0.30 (22)	0.14 (18)	0.11 (14)	0.11 (12)	0.66 (33)	4.37 (24)	
IM U.S. Taxable Money Market (MF) Median	0.06	0.06	0.12	0.05	0.03	0.03	0.59	4.24	
Target Date Funds									
Vanguard Target Retirement Income	2.45 (77)	2.45 (77)	5.36 (84)	3.80 (54)	4.61 (75)	5.59 (70)	4.95 (1)	5.97 (79)	10/01/2015
Vanguard Target Income Composite Index (Net)	2.41 (77)	2.41 (77)	5.51 (83)	3.98 (47)	4.78 (73)	5.72 (68)	5.00 (1)	6.17 (78)	
IM Retirement Income (MF) Median	3.30	3.30	7.90	3.94	6.12	6.36	2.56	8.05	
Vanguard Target Retirement 2010	2.53 (90)	2.53 (90)	5.55 (94)	3.90 (36)	5.32 (56)	6.23 (40)	4.68 (12)	6.18 (88)	10/01/2015
Vanguard Target 2010 Composite Index	2.45 (92)	2.45 (92)	5.72 (93)	4.09 (25)	5.49 (45)	6.35 (27)	4.74 (9)	6.43 (79)	
IM Mixed-Asset Target 2010 (MF) Median	3.13	3.13	7.41	3.75	5.33	6.00	3.82	7.36	

TIAA Traditional Annuity Returns show current quarter's credit rate.

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Vanguard Target Retirement 2015	3.38 (53)	3.38 (53)	7.70 (66)	4.58 (22)	6.45 (29)	7.08 (19)	5.02 (9)	7.91 (54)	10/01/2015
Vanguard Target 2015 Composite Index	3.31 (59)	3.31 (59)	7.87 (61)	4.79 (9)	6.65 (17)	7.20 (13)	5.06 (5)	8.23 (43)	
IM Mixed-Asset Target 2015 (MF) Median	3.39	3.39	8.10	3.92	6.01	6.54	4.44	8.12	
Vanguard Target Retirement 2020	4.10 (22)	4.10 (22)	9.44 (28)	5.18 (4)	7.35 (7)	7.75 (8)	5.23 (4)	9.36 (17)	10/01/2015
Vanguard Target 2020 Composite Index	4.00 (28)	4.00 (28)	9.57 (26)	5.38 (1)	7.57 (4)	7.98 (3)	5.36 (1)	9.65 (11)	
IM Mixed-Asset Target 2020 (MF) Median	3.75	3.75	8.86	3.65	5.87	6.53	3.88	8.15	
Vanguard Target Retirement 2025	4.59 (31)	4.59 (31)	10.71 (34)	5.48 (6)	7.94 (17)	8.22 (17)	5.28 (15)	10.32 (22)	10/01/2015
Vanguard Target 2025 Composite Index	4.51 (37)	4.51 (37)	10.83 (31)	5.68 (2)	8.17 (8)	8.46 (9)	5.43 (11)	10.64 (12)	
IM Mixed-Asset Target 2025 (MF) Median	4.33	4.33	10.13	4.27	6.82	7.41	4.65	9.39	
Vanguard Target Retirement 2030	5.10 (31)	5.10 (31)	11.90 (39)	5.72 (9)	8.50 (13)	8.66 (14)	5.31 (14)	11.23 (25)	10/01/2015
Vanguard Target 2030 Composite Index	4.96 (40)	4.96 (40)	12.01 (37)	5.93 (6)	8.74 (7)	8.90 (8)	5.46 (9)	11.57 (18)	
IM Mixed-Asset Target 2030 (MF) Median	4.81	4.81	11.59	4.59	7.33	7.59	4.21	10.35	
Vanguard Target Retirement 2035	5.52 (40)	5.52 (40)	13.04 (41)	5.95 (13)	9.05 (15)	9.08 (17)	5.46 (18)	12.13 (28)	10/01/2015
Vanguard Target 2035 Composite Index	5.42 (45)	5.42 (45)	13.20 (34)	6.18 (8)	9.30 (7)	9.33 (8)	5.61 (15)	12.49 (18)	
IM Mixed-Asset Target 2035 (MF) Median	5.31	5.31	12.76	5.11	7.91	8.27	4.88	11.57	
Vanguard Target Retirement 2040	6.02 (28)	6.02 (28)	14.32 (26)	6.14 (12)	9.43 (10)	9.38 (13)	5.69 (12)	13.05 (16)	10/01/2015
Vanguard Target 2040 Composite Index	5.88 (35)	5.88 (35)	14.39 (21)	6.41 (7)	9.70 (5)	9.65 (7)	5.82 (10)	13.41 (7)	
IM Mixed-Asset Target 2040 (MF) Median	5.61	5.61	13.61	5.21	8.19	8.24	4.37	12.04	
Vanguard Target Retirement 2045	6.19 (32)	6.19 (32)	14.71 (31)	6.24 (14)	9.50 (16)	9.42 (15)	5.70 (22)	13.29 (21)	10/01/2015
Vanguard Target 2045 Composite Index	6.04 (41)	6.04 (41)	14.76 (29)	6.51 (8)	9.77 (7)	9.69 (8)	5.85 (16)	13.66 (3)	
IM Mixed-Asset Target 2045 (MF) Median	5.86	5.86	14.08	5.50	8.60	8.63	4.79	12.58	
Vanguard Target Retirement 2050	6.19 (34)	6.19 (34)	14.70 (36)	6.24 (14)	9.50 (14)	9.42 (14)	5.71 (19)	13.28 (19)	10/01/2015
Vanguard Target 2050 Composite Index	6.04 (42)	6.04 (42)	14.76 (35)	6.51 (8)	9.77 (7)	9.69 (7)	5.85 (16)	13.66 (6)	
IM Mixed-Asset Target 2050 (MF) Median	5.88	5.88	14.24	5.50	8.63	8.53	4.36	12.57	
Vanguard Target Retirement 2055	6.17 (43)	6.17 (43)	14.70 (40)	6.19 (19)	9.47 (26)	N/A	N/A	13.26 (32)	10/01/2015
Vanguard Target 2055 Composite Index	6.04 (52)	6.04 (52)	14.76 (39)	6.51 (10)	9.77 (13)	N/A	N/A	13.66 (9)	
IM Mixed-Asset Target 2055+ (MF) Median	6.06	6.06	14.45	5.59	8.93	8.85	N/A	12.81	
Vanguard Target Retirement 2060	6.16 (43)	6.16 (43)	14.67 (42)	6.19 (20)	9.53 (20)	N/A	N/A	13.26 (33)	10/01/2015
Vanguard Target 2060 Composite Index	6.04 (52)	6.04 (52)	14.76 (39)	6.51 (10)	9.77 (13)	N/A	N/A	13.66 (9)	
IM Mixed-Asset Target 2055+ (MF) Median	6.06	6.06	14.45	5.59	8.93	8.85	N/A	12.81	

TIAA Traditional Annuity Returns show current quarter's credit rate.



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## Asset Allocation - 401(a) Legacy

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	78,286	3.55	81,758	3.59
CREF Growth	87,172	3.95	94,326	4.14
<b>Total Large Cap Equity</b>	<b>165,458</b>	<b>7.50</b>	<b>176,084</b>	<b>7.72</b>
<b>Global Equity</b>				
CREF Global Equities	184,328	8.35	195,968	8.60
CREF Stock	624,397	28.29	664,698	29.16
<b>Total Global Equity</b>	<b>808,725</b>	<b>36.64</b>	<b>860,666</b>	<b>37.76</b>
<b>Fixed Income</b>				
CREF Bond Market	38,724	1.75	39,091	1.71
CREF Inflation-Linked Bond	14,007	0.63	10,087	0.44
<b>Total Fixed Income</b>	<b>52,732</b>	<b>2.39</b>	<b>49,178</b>	<b>2.16</b>
<b>Fixed Account</b>				
TIAA Traditional GRA	739,000	33.48	829,594	36.39
<b>Real Estate</b>				
TIAA Real Estate	155,421	7.04	156,991	6.89
<b>Specialty Equity</b>				
CREF Social Choice	26,092	1.18	45,139	1.98
<b>Cash</b>				
CREF Money Market	259,887	11.77	161,823	7.10
<b>LPS 401(a) Legacy Total Fund</b>	<b>2,207,315</b>	<b>100.00</b>	<b>2,279,475</b>	<b>100.00</b>

## Asset Allocation - 403(b) Legacy

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	358,438	4.69	381,315	4.84
CREF Growth	225,888	2.96	246,629	3.13
Large Cap Equity	584,326	7.64	627,944	7.97
<b>Global Equity</b>				
CREF Global Equities	410,825	5.37	441,319	5.60
CREF Stock	1,907,371	24.95	2,037,561	25.87
Global Equity	2,318,196	30.33	2,478,880	31.47
<b>Fixed Income</b>				
CREF Bond Market	229,248	3.00	231,477	2.94
CREF Inflation-Linked Bond	98,412	1.29	99,402	1.26
Fixed Income	327,659	4.29	330,879	4.20
<b>Fixed Account</b>				
TIAA Traditional GSRA	3,528,432	46.16	3,569,393	45.32
<b>Real Estate</b>				
TIAA Real Estate	448,372	5.87	444,567	5.64
<b>Specialty Equity</b>				
CREF Social Choice	200,125	2.62	207,555	2.64
<b>Cash &amp; Equivalent</b>				
CREF Money Market	229,611	3.00	209,219	2.66
Loan Default Fund	7,330	0.10	7,405	0.09
Cash & Equivalent	236,941	3.10	216,624	2.75
LPS 403(b) Legacy	7,644,051	100.00	7,875,843	100.00

## Asset Allocation - 457 Legacy

	Dec-2016		Mar-2017	
	(\$)	%	(\$)	%
<b>Large Cap Equity</b>				
CREF Equity Index	86,621	3.45	91,458	3.58
CREF Growth	59,443	2.37	90,621	3.55
<b>Total Large Cap Equity</b>	<b>146,064</b>	<b>5.82</b>	<b>182,079</b>	<b>7.14</b>
<b>Global Equity</b>				
CREF Global Equities	39,528	1.58	42,079	1.65
CREF Stock	393,926	15.71	420,164	16.46
<b>Total Global Equity</b>	<b>433,454</b>	<b>17.28</b>	<b>462,243</b>	<b>18.11</b>
<b>Fixed Income</b>				
CREF Bond Market	75,792	3.02	76,517	3.00
CREF Inflation-Linked Bond	49,209	1.96	40,934	1.60
<b>Total Fixed Income</b>	<b>125,001</b>	<b>4.98</b>	<b>117,451</b>	<b>4.60</b>
<b>Fixed Account</b>				
TIAA Traditional GSRA	1,531,625	61.07	1,629,401	63.85
<b>Real Estate</b>				
TIAA Real Estate	109,804	4.38	111,042	4.35
<b>Specialty Equity</b>				
CREF Social Choice	39,859	1.59	41,339	1.62
<b>Cash</b>				
CREF Money Market	122,158	4.87	8,343	0.33
<b>457(b) Legacy Total Fund</b>	<b>2,507,964</b>	<b>100.00</b>	<b>2,551,897</b>	<b>100.00</b>

## Table of Returns

	Last Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Large Cap Equity</b>									
CREF Equity Index	5.65	5.65	17.66	9.40	12.76	12.47	7.14	9.27	05/01/1994
S&P 500 Index	6.07	6.07	17.17	10.37	13.30	12.94	7.51	9.61	
CREF Growth	9.10	9.10	14.12	10.62	12.95	13.10	8.88	8.24	05/01/1994
S&P 500 Growth	8.53	8.53	15.40	11.53	13.77	13.88	9.19	9.96	
<b>Global Equity</b>									
CREF Global Equities	6.52	6.52	14.04	4.85	9.01	8.36	4.14	7.43	05/01/1992
MSCI World (net)	6.38	6.38	14.77	5.52	9.37	8.63	4.21	7.31	
CREF Stock	6.73	6.73	16.34	6.63	10.17	9.85	5.46	9.80	08/01/1952
MSCI AC World IMI (Net)	6.79	6.79	15.37	5.07	8.55	8.03	4.23	N/A	
<b>Fixed Income</b>									
CREF Bond Market	1.02	1.02	1.38	2.75	2.52	3.57	3.97	5.94	04/01/1990
Bloomberg Barclays U.S. Aggregate Index	0.82	0.82	0.44	2.68	2.34	3.48	4.27	6.19	
CREF Inflation-Linked Bond	1.07	1.07	1.20	1.59	0.54	3.07	3.77	5.12	06/01/1997
Bloomberg Barclays U.S. TIPS Index	1.26	1.26	1.48	2.03	0.97	3.48	4.24	5.56	
<b>Fixed Account</b>									
TIAA Traditional GRA-401(a)	1.00	1.00	3.88	3.82	3.69	3.70	3.91	3.70	06/01/2010
Ryan 3 Yr GIC Master Index	0.37	0.37	1.43	1.23	1.21	1.64	2.51	1.59	
TIAA Traditional GSRA-403(b) & 457	1.00	1.00	3.93	3.84	3.70	3.73	N/A	3.70	04/01/2012
Ryan 3 Yr GIC Master Index	0.37	0.37	1.43	1.23	1.21	1.64	2.51	1.21	
<b>Real Estate</b>									
TIAA Real Estate	1.12	1.12	4.43	8.07	9.75	11.53	3.65	6.70	11/01/1995
NCREIF ODCE	1.77	1.77	8.33	11.78	11.98	13.49	5.59	9.30	
<b>Specialty Equity</b>									
CREF Social Choice	3.77	3.77	9.56	5.01	7.36	7.68	5.37	8.25	04/01/1990
20%S&P500,20%S&P500V,60%BCAgg	2.85	2.85	6.90	5.70	6.69	7.34	5.92	7.89	
<b>Cash &amp; Equivalents</b>									
CREF Money Market	0.11	0.11	0.34	0.14	0.10	0.09	0.78	1.92	08/01/1999
90 Day U.S. Treasury Bill	0.10	0.10	0.30	0.14	0.11	0.11	0.66	1.80	

TIAA Traditional Annuity Returns show current quarter's credit rate.